

THE COMMITTEE ON THE BUDGET

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THE HOUSE DEMOCRATIC BUDGET REAL TAX HIKES, REAL PEOPLE

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The Democratic budget for fiscal year 2009 will impose the largest tax increase in American history – roughly \$683 billion over 5 years – mainly to finance the Majority’s hundreds of billions in new spending. Here are some examples of how the Democrats’ tax hikes would affect workers, families, and small businesses.

- **Raising the 10-Percent Tax Rate Bracket to 15 Percent.** More than 6 million individuals and families who previously *owed no taxes* would become subject to the individual income tax in 2011 if Democrats succeed in raising the 10-percent bracket to 15 percent, and reducing or eliminating other low-income tax benefits.
- **Reimposing the Marriage Penalty.** Roughly 23 million taxpayers would see their taxes increase, on average, by \$466 in 2011, because they are married.
- **Tax Increase of \$500 Per Child.** Approximately 31 million taxpayers would see their taxes increase, on average, by \$859 in 2011 – because the Democratic budget would cut the \$1,000-per-child tax credit in half.
- **Elderly Couple with \$40,000 in Income.** This couple’s tax bill would rise by 156 percent in 2011 – from \$583 to \$1,489.
- **Family of Four Earning \$60,000.** This family would face a *70-percent tax hike*, with their income tax bill rising from \$2,733 to \$4,634 in 2011 – an increase of \$1,900.
- **Single Parent with Two Children and \$30,000 in Earnings.** This taxpayer would sustain a 67-percent reduction in benefits provided through the tax code (principally from the refundable child tax credit and earned income tax credit). Benefits would plunge from \$2,414 now to \$799 under the Democratic tax plan.
- **Every Working American Would be Affected by Democrats’ Tax Hike:**
 - Roughly 116 million taxpayers would see their taxes increase, on average, by \$1,833 in 2011.
 - An estimated 84 million women would sustain, on average, a tax increase of \$2,121.

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- Approximately 48 million married couples would incur average tax increases of over \$3,000.
 - Taxes would increase by an average of \$2,323 for 43 million families with children.
 - Some 12 million single women with children would see their taxes increase, on average, by \$1,091.
 - For 18 million elderly individuals, taxes would increase by an average of \$2,181.
 - Tax bills for 27 million small-business owners would rise, on average, by more than \$4,000.
 - More than 6 million taxpayers who previously owed no taxes would become subject to the individual income tax as a consequence of the sunset.